

Town of Brookline
Advisory Committee Minutes

Harry K. Bohrs, Chair

February 11, 2014

Present: Harry K. Bohrs, Carla Benka, Clifford M. Brown, Sumner J. Chertok, Lea Cohen, Bernard Greene, Kelly A. Hardebeck, Nancy S. Heller, Amy F. Hummel, Systke Humphrey, Angela Hyatt, Janice S. Kahn, Bobbie Knable, Fred Levitan, Pamela Lodish, Sean M. Lynn-Jones, Shaari S. Mittel, Michael Sandman, Lee L. Selwyn, Stanley L. Spiegel, Charles Swartz, Leonard A. Weiss, Karen Wenc, Christine Westphal

Absent: John Doggett, Alisa G. Jonas

The meeting was called to order at 6:00 PM.

1. Report from Town Administrator, Mel Kleckner

Budget balances \$265 mil of revenues and expenses

Bridge Concept: Beginning of process to address town and school committee's structural and fiscal challenges and probably 2016 override request. Avoid further reductions in school programs.

Raise \$1mil in parking rate increases and fines; these would all go to school department. Continue to have 50/50 school town partnership going forward except this year.

Revenues: Property tax is largest source of our revenue, close to 70%. That part of the pie is growing as other sources does not grow at same rate. Our reliance on property tax is growing. \$181Mil is 2/3 of Town's overall revenue.

State aid is up by 5%.

Local receipts are up by 3.6% (Motor Vehicle excise; building permits and lodging and meals local option taxes).

Free Cash: Reduced from the prior year by 33%; We are leaving a significant balance to meet our reserves, which leaves us at a 11% balance in our reserves, which helps our Moody's rating.

Parking meter rates to go up by 25%. Experiment with differential rates.

Expenditures:

School department budget up by 4.8% including \$1mil in additional revenue. To eliminate their 'structural deficit', so called. These are non-teaching support (guidance and school nursing) + technology needs.

Municipal Departments: modest growth of 2% to cover fixed costs and contractual increases.

Group Health Insurance: Assume 5% composite rate increase plus increased enrollment, primarily from schools.

Pension Funding: This is dependent on the market. They've reduced assumed rate of return from 8.25% to 7.75%.

Revenue-Finance Capital Budget: up 9.7%

Policy Issues & Initiatives:

Technology: Trying to stay on top of it. Town has done fairly well.

New internal MUNIS payroll system. BrookonLine + Social Media (Twitter, e.g.). Mobile applications.

Changing Landscape:

Use of credit card for transactions. Galaxy WiFi is no longer sustainable. PXT Card (debit card) is no longer successful as they are going out of business.

Energy Efficiency:

Conversion to LED Street Lighting. Solar Energy. Procurements (electricity and natural gas favorable rates)

Performance measurement: Movement to more performance based measurement. National Citizen Survey completed and will be interesting to review over the next year.

Open Checkbook Application: Permits anyone to go online and see exactly where funds are being spent. Almost ready to launch. Use our MUNIS data. Creates transparency and confidence in how town spends its money.

Communications: Blackboard (automated messaging)

HR: Nearly \$.80 of every \$1.00 spent is on personnel related costs.

Recruitment & Succession planning, especially at upper levels. Continue to expand diversity, especially at higher levels.

Solid Waste Management: Our contract expires at end of this fiscal year. Consider Pay-as-You-Throw model. Look at our Transfer Station Capacity. Comprehensive RFP with collection, hauling and disposal.

Long Range Financial Plan:

Plan is based upon assumptions; long range budget forecasting is conservative and cumulative. Structural gap between revenue growth of 3% and expenditure growth of 4%.

Our goal is to eliminate that gap in a way that balances revenue growth and expenditure control.

2. Report from Deputy Town Administrator, Sean Cronin

See his report, entitled FY2015budget.PDF: at

http://www.brooklinema.gov/index.php?option=com_content&view=article&id=1591&Itemid=1814

56% of all town revenue goes to school budget, when you add up all the aspects beyond school department's direct budget.

School Budget: \$650K shortfall, prior to enrollment; plus town picks up \$.5mil of increased enrollment.

Schools adding approximately \$1.5m in 'supports' and Ed Tech.

Reducing FY 15 CB assumption + Use of their reserves + fees available to schools.

Schools closing structural deficits with additional \$1mil from town (parking fees, etc.)

Water & Sewer rates should increase only a very little bit in FY15.

Golf Course: A good success story – people are coming back. Projected revenue increase.

CIP: Exclude Devotion (debt exclusion) opens up capacity for Driscoll expansion and BHS addition. \$318m capital plan.

Changes since Dec. 10th, 2013:

Devotion School now estimated at \$110m. Town share is \$77m now, vs. \$59.5 mil.

Q: How to prepare the community to recognize that whatever length of time for this override (3, 4 years?), that we may still need to have another override in the not so distant future.

Comment: Our needs, for example, for what a quality high school is, may change immensely; so there has to be a conversation about philosophy and approach. Put pressure on Schools to really be thoughtful before spending money on infrastructure and technology.

Comment: School Committee has shown no willingness to cut anything. How can the AC have any impact on this? Last year, School Department was talking about cutting important programs to hire a Director of Community Relations position; when this came to light recently as a big flap, the School Department was forced to cancel this position. The AC/Town needs more input and oversight of the School Department budget.

Comment: We also have to be careful to maintain the quality of education in Brookline, for many purposes, including real estate values, and people's commitment to living in this town.

Comment: There are 28 new school FTEs, but only about 150 or so new students; so some of this is catch up and not just needs of expanding population. How can we hold School Department accountable? Should AC cut School Department budget to send them a message about fiscal responsibility?

The meeting was adjourned at 8:30 PM.